

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 CIAE-00 DODE-00 NSAE-00
NSCE-00 SSO-00 ICAE-00 INRE-00 AGR-01 CEA-01
COME-00 EB-08 FRB-03 H-01 INR-10 INT-05 L-03
LAB-04 PA-01 CTME-00 AID-05 SS-15 STR-07 ITC-01
TRSE-00 SP-02 SOE-02 OMB-01 DOE-15 /111 W
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O 141319Z JUL 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC IMMEDIATE 7859
AMEMBASSY BONN IMMEDIATE
INFO ALL EC CAPITALS
USMISSION GENEVA

C O N F I D E N T I A L BRUSSELS 13820

USEEC

BONN FOR AMBASSADOR STRAUSS; GENEVA FOR MTN

E.O. 11652: GDS
TAGS: EEC, MTN, EGEN
SUBJ: MTN: FRENCH RESERVE

REF: BRUSSELS 13806

1. FRENCH COMMERCIAL COUNSELOR HAS GIVEN MISSION
DETAILED EXPLANATION OF FRENCH RESERVE TO GENEVA
STATEMENT ON THE CURRENT STATUS OF TOKYO ROUND NEGOTIA-
TIONS AS WELL AS HIS ACCOUNT OF COREPER DISCUSSION
ON JUNE 14. HE STATED THAT NO FURTHER DISCUSSION
IS SCHEDULED FOR BRUSSELS AND SAID HE WAS UNCERTAIN
WHAT THE FRENCH WOULD DO AT THE BONN SUMMIT.

2. FRENCH RESERVE RELATES BOTH TO THE OVERALL DOCUMENT
AND TO CERTAIN SPECIFIC POINTS THEREIN. THE OVERALL
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RESERVE IS BASED ON A FRENCH APPRECIATION THAT THE
COMMISSION HAS EXCEEDED ITS MANDATE AND SHOULD NOT HAVE
DONE SO EXCEPT AD REFERENDUM. FURTHERMORE, THE
GENERAL DOCUMENT, EVEN THOUGH CALLED A STATUS REPORT,
IS CLEARLY IN FRENCH EYES AN AGREEMENT AND THE COM-
MISSION SHOULD NOT HAVE ENTERED INTO AN AGREEMENT
WITHOUT MEMBER STATE APPROVAL.

3. THE SPECIFIC OBJECTIONS ARE: (1) THAT THERE IS A DISEQUILIBRIUM BETWEEN TARIFFS AND NON-TARIFF MEASURES IN THE DOCUMENT. ON TARIFFS, THE FRENCH SEE AN IRREVERSIBLE COMMITMENT TO REDUCE TARIFFS BY A LEVEL COMPARABLE TO THAT ACHIEVED IN THE KENNEDY ROUND. THERE IS NO EQUIVALENT GUARANTEE ON NON-TARIFF MEASURES, ONLY VAGUE WORDS. FRENCH SEE THIS AS THE MAJOR PROBLEM WITH THE DOCUMENT. (2) SAFEGUARD CLAUSE: THE FRENCH, AND ACCORDING TO THEM, THE UK, DEPLORE THE POWERS FORESEEN FOR THE SUPERVISORY BODY. FURTHERMORE, THERE IS NOT ENOUGH LANGUAGE REFLECTING THE FRENCH POSITION ON THE USE OF SELECTIVITY. THE FRENCH SEE THIS PARAGRAPH AS A UNILATERAL COMMISSION CONCESSION. (3) AGRICULTURE: THE FRENCH OBJECT TO THE LANGUAGE CALLING FOR AN ELABORATION OF ARTICLE XVI OF THE GATT AND THE REFERENCE TO TRADITIONAL MARKETS AS IT APPEARS IN THE DOCUMENT. THEY ARE CONCERNED THAT IT COULD BE INTERPRETED TO FREEZE AGRICULTURAL TRADE AS IT EXISTS TODAY.

4. THERE ARE OTHER MINOR FRENCH OBJECTIONS BUT NOT ON THE SCALE OF THOSE CITED ABOVE.

5. ACCORDING TO FRENCH SOURCE, FRENCH REPRESENTATIVES MADE ALL OF THE ABOVE POINTS IN JULY 14 COREPER SESSION. IN REPLY EC DIRECTOR GENERAL SIR ROY DENMAN ARGUED THAT

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THE DOCUMENT WAS NOT AN AGREEMENT BUT ONLY A STATUS REPORT. FRENCH REPLIED THAT HAVERKAMP HAD DESCRIBED IT AS AN AGREEMENT IN HIS GENEVA PRESS CONFERENCE JULY 13. HAVERKAMP ALSO, ACCORDING TO FRENCH, LAMELY DEFENDED LANGUAGE OF DOCUMENT ON SPECIFIC POINTS BUT WAS NOT CONVINCING. HE ADDED THAT, MAYBE SOME OF THE LANGUAGE WAS NOT THE BEST THAT COULD HAVE BEEN OBTAINED BUT THAT THE NEGOTIATING PROCESS HAD BEEN A DIFFICULT ONE AND THAT, IN COMMISSION'S VIEW, IT HAD BEEN POLITICALLY INDISPENSABLE TO REACH AGREEMENT ON THE TEXT IN ADVANCE OF THE SUMMIT. FRENCH SOURCE ADDED THAT ALL OTHER EIGHT MEMBER STATES TENDED TO SIDE WITH COMMISSION IN COREPER SESSION OF JULY 14.

6. IN CONVERSATION ON RETURN FLIGHT TO BRUSSELS MORNING OF JULY 14, EC DIRECTOR FOR GATT AFFAIRS RAYMOND PHAN VAN PHI TOLD MISSION OFFICER ABOUT FRENCH RESERVE AND SAID HE WAS UNCERTAIN AS TO ITS RATIONALE. HE THOUGHT THAT FRENCH WERE NOT SO MUCH TROUBLED BY POINTS OF SUBSTANCE BUT BY THE FACT THAT ISSUES OF INTEREST TO THE U.S., SUCH AS AIRCRAFT, COUNTERFEITING, RULES OF ORIGIN, AND STEEL HAD RECEIVED SEPARATE UNDERLINED HEADINGS IN

THE DOCUMENT WHILE KEY FRENCH POINTS, SUCH AS SELECTIVITY,
WERE BURIED IN THE TEXT. HIS GUESS AT THAT TIME, WHICH
WAS BEFORE COREPER DISCUSSION, WAS THAT FRENCH WOULD
CONTINUE TO GRUMBLE BUT PROBABLY NOT RAISE MUCH OF A
FUSS AT THE SUMMIT. HINTON

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